International Journal of Trend in Scientific Research and Development (IJTSRD)
Volume 5 Issue 3, March-April 2021 Available Online: www.ijtsrd.com e-ISSN: 2456 – 6470

Environmental Dynamism and Corporate Vitality of Fast Moving Consumer Goods Companies in Rivers State, Nigeria

Gabriel, J. M. O PhD[1]; George, B M PhD[2]; Adim, C. V[3]

[1]Senior Lecturer, Department of Management, Faculty of Management Sciences, Nigeria
[2]Lecturer, Ken Sarowiwa Polytechnic, Bori, Rivers State, Nigeria
[3]Department of Management, Faculty of Management Sciences, Rivers State University, Nigeria

ABSTRACT

Firms need to cope with dynamically evolving environments. Global crises, competitive pressure, changing customer demands, or new technological developments frequently shake established markets. The firm's ability to sense opportunities and threats, to make decisions on appropriate responses, and to reconfigure the firm's resource and capability is critical to its vitality and survival. The purpose of this study was to investigate the relationship between environmental dynamism and corporate vitality of Fast-Moving Consumer Goods Companies (FMCG) in Rivers State, Nigeria. The study adopted a cross sectional survey research design. The population of this study was nine (9) fast moving consumer goods companies in Rivers State. Since the unit of analysis was at organizational level, only strategic managers were included. Five managers each were used for each company; giving a total of 45 respondents. Primary data was collected using a 5-point Likert scaled questionnaire. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0. The tests were carried out at a 95% confidence interval and a 0.05 level of significance. Results from analysis of data revealed that there is a strong positive environmental dynamism and corporate vitality of FMCGC in Rivers State, Nigeria. The study recommends that managers of Fast Moving Consumer Goods Companies should form and support work environments that inspire employees toward continuous learning and open search behaviours in order to exploit innovation opportunities.

***KEYWORDS**: Environmental Dynamism, Corporate Vitality, Corporate Innovativeness, Corporate Responsiveness*

***How to cite this paper**:* Gabriel, J. M. O | George, B M | Adim, C. V "Environmental Dynamism and Corporate Vitality of Fast Moving Consumer Goods Companies in Rivers State, Nigeria" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-5 | Issue-3, April 2021, pp.522-530, URL: www.ijtsrd.com/papers/ijtsrd39926.pdf

IJTSRD39926

INTRODUCTION

Companies perform in the environment that is part of their functioning conditions and generates not only opportunities but threats as well. The general trend in the business environment nowadays is to shorten the product's life and business model cycle (Dyduch, 2017). At a time when the global economy is ridden with rapid changes and intense competition is shortening product life cycles, it is clear that traditional managerial techniques are inadequate to respond properly to these changes or to rapidly changing market conditions. As a result, business organizations are compelled to include entrepreneurial spirit and innovation as integral parts of overall strategy for business success (Tajeddini, Altinay &Ratten, 2017; Etemad 2015).

The complexities that characterize today's business environment are harbingers to the poor health of firms especially in developing economies (Alagah, 2010). Indeed, the environmental milieu raises concern about their strength and readiness to compete. Attaining business goals and sustaining survival emanate from the garnered vitality in terms of strategic resource accumulation and coordination for efficient market service delivery.

Vitality, in general, refers to energy or health; the term organization vitality in simple terms can be defined as organizational health or energy and can be determined by its financial, intellectual and creative growth (Vicenzi & Adkins 2000). Some of the processes that play an important role in survival, growth and organizational performance can be defined as vitalization processes for the organization (Bishwas, 2011). According to Gilbert et al. (2006), growth aspects are the indicator of a vital and thriving organization. Growth, success, and competitiveness are some of the issues which are the part of organization vitality (Smith, 2009).

While this is acknowledged that the concept of vitality is relatively new in organization, it has remained a significant subject owing to the fact that it connotes the strength and capability to withstand environmental stressors that impedes capacity to survive (Nadum, 2011). Achieving vitality requires deliberate strategic and managerial character that support employees at all levels of work.

Although vitality is considered important (Kark & Carmeli, 2009), there is a dearth of research examining vitality in literature. Organizations, which are more vital in nature,

incorporate the system in a constant manner to inspire challenges within the organization, enabling the individual members and the organization as a whole to achieve a winning relationship. The vital enterprises are normally knowledge oriented and competent. Thinking precedes acting in those organizations which have high vitality. A vitalized organization has information which is relevant to its objectives. Proper management and utilization of this information is the prerequisite for these kinds of organizations. Knowledge management processes are the key activities which help organization to manage this information for better organization vitality.

Dynamism of the environment refers to the speed of change and the unpredictability of change in technologies, variations in customer preference, product demand (market), and product in an industry (Martínez-Sánchez, Vela-Jiménez, Pérez-Pérez & de-Luis-Carnicer, 2011). Similarly, various factors such as a shift in an organization's technological capabilities, diffusion and technical change, and/or new competitors may lead to high dynamism in the environment (Simerly & Li, 2002). As a result, it may create different threats and opportunities for organizations to implement their strategies (Atuahene-Gima, Li & De Luca 2006).

A highly dynamic environment makes it difficult for organizations to adopt older or less innovative technologies to keep pace with the changing needs in industries marked by high growth (Coombs & Bierly, 2006). Research shows the effect of company resources and competencies on company behaviour, operations and performance is contingent upon environmental dynamism cues (Akgun, Keskin & Byrne, 2008). As competition heats up and market preferences become less predictable and change occurs at a faster pace, the environment becomes dynamic (Atuahene-Gima, Li & De Luca, 2006). In such an environment, products development and life cycles are shorter, new products introductions are more frequent, information becomes obsolete more swiftly, and the companies' search and coordination expenditures in strategic decisions are boosted (Atuahene-Gima, Li & De Luca 2006). Consequently, it is more difficult and challenging for organizations (1) to assimilate and anticipate environmental conditions (Akgun, Keskin & Byrne, 2008), (2) to identify the potential impacts of new technological alterations on customer needs and behavior, and (3) to translate them into specific and appropriate actions (Atuahene-Gima, Li & De Luca 2006).

Firms operating in dynamic environment are more likely to be successful in uncertain and changing environments where the amount of cost and the level of risks associated with novelty and newness can be regained by capturing new product-market niches (Lumpkin & Dess, 2001). In dynamic and complex environments, companies need to undergo high levels of innovation and product enhancement, which requires large investments in research and development (Nandakumar, Ghobadian& O'Regan, 2010).

The purpose of this study is to examine the relationship of environmental dynamism of corporate vitality. More specifically, the following objectives are stated:
1. To examine the association between environmental dynamism and corporate responsiveness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria.
2. To examine the association between environmental dynamism- and corporate innovativeness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria.

The following research questions also guided the study:
1. What is the association between environmental dynamism and corporate responsiveness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria?
2. What is the the association between environmental dynamism and corporate innovativeness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria.

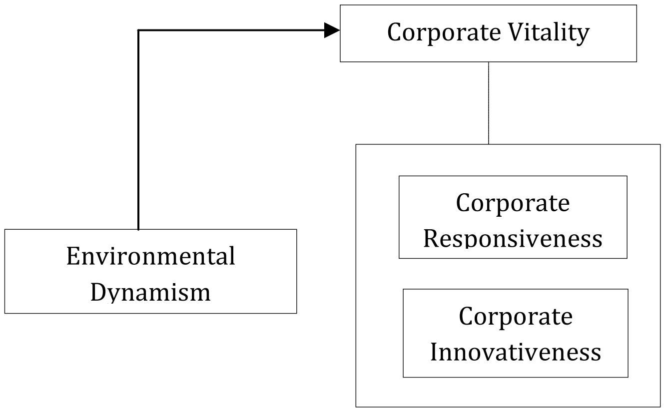

Fig.1 Conceptual framework for the relationship between environmental dynamism and corporate vitality
Source: Desk Research (2020)

LITERATURE REVIEW
Environmental Dynamism
The environment of a company is the sum of the material and social factors which are taken into account directly during the moment of taking the decision by persons from the company (Li, Liu 2014). This broad definition covers the dimensions used in various research trends. The changes taking place in the environment are of a diverse nature. The description of the environment of the company can be shown from the perspective of different groups of features and from a different range of detailed criteria of its structuralisation. The environmental feature is understood as the set of the properties distinguishing or characterizing a feature of the environment being examined.

According to Drnevich and Kriauciunas (2011) environmental dynamism is the change of the competitive environment, which has an impact on the way the companies compete with others and how they respond to the demands of the clients and the development of the business branch. Environmental dynamism is the volatility (i.e. the pace of changes and innovations) as well as the uncertainty or unpredictability of activities undertaken by the clients (Li, Liu 2014).

Dynamic environment is connected with the high unpredictability of clients and competitors as well as the high indicators of the changes of market trends and innovations in the business branch. In such a dynamic environment, where the demand is still changing, the opportunities are getting bigger, and the results should be best in those companies which are oriented on using new changes, because they possess a good match between a strategic orientation and the environment (Azadegan 2013).

Environmental dynamism is also defined as the changes in the competitive environment which have an impact on the competitors' character and the way to react to the demands of clients and the situation in the business branch (Wang, Ang, 2004). Therefore environmental dynamism reflects the size and unpredictability of the changes in clients' tastes, production technologies or services and the models of

competition in the main companies in the industry (Drnevich, Kriauciunas 2011). Dynamism is interpreted as unpredictability, which means the pace of changes and innovations in the industry, as well as the uncertainty or unpredictability of the actions taken by the customers. Therefore, Wang, Senaratne and Rafiq (2015), measure environmental dynamism with the changes in technology, competition and clients, and the construct of market dynamics includes three components: the speed of changes and competition, the unpredictability of changes in technology and competition and the uncertainty of clients' behaviour. Thus the changes in the structure of the branch, the instability of the market demand and the possibility of environmental disruptions are important elements of environmental dynamism.

Most theoreticians and researchers classify the characteristics of the environment through stability/ dynamism, simplicity/complexity and generosity/ hostility as well as integrated/diversified markets (Li & Liu, 2014). The generosity of the environment refers to the availability of resources and the number of external opportunities that are present in a specific environment and can also be considered as the rate of return or the growth in the industry in which the company competes (Vij & Bedi, 2012). Dynamic environments provide great opportunities for small enterprises. In particular, market growth is emphasized as an important indicator for small enterprises.

According to Dess and Beard 1984 cited in Petrus (2019) environmental dynamism is a combination of instability and turbulence. This is defined as the size and unpredictability of the change in the tastes of customers, the technology of production or services, and the possibilities to compete in major industries. Companies competing in the same industry have the same entry and output markets, and technological conditions, in this way defining the environment of the companies Karna, Richter and Riesenkampff (2016) environmental dynamism describes the rate of changes, unpredictability, volatility and instability in the external environment. Environmental dynamism leads to a great uncertainty which causes deficit of the information needed to identify and understand the cause and effect relationship. When the environment is highly dynamic, uncertainty may suppress the organization's ability to respond to the need for change, predicting customer requirements, questioning the existing strategic direction, and searching for new alternatives. However, an insecure environment in which external changes are nonlinear and inconsistent can also be a great source of opportunities for enterprises to strengthen existing capabilities and/or develop new ones that enable companies to overcome their organizational inertia and shortsightedness of knowledge.

Dynamism describes the rate of changes, unpredictability, volatility and instability in the external environment. Dynamism leads to a great uncertainty which causes deficit of the information needed to identify and understand the cause and effect relationship. When the environment is highly dynamic, uncertainty may suppress the organization's ability to respond to the need for change, predicting customer requirements, questioning the existing strategic direction, and searching for new alternatives. However, an insecure environment in which external changes are nonlinear and inconsistent can also be a great source of opportunities for enterprises to strengthen existing capabilities and/or develop new ones that enable companies to overcome their organizational inertia and shortsightedness of knowledge (Petrus, 2019).

Dynamism reflects the unpredictability and volatility of the changes in an industry that heighten the uncertainty of firms' predictions (Dess & Beard, 1984 cited in Petrus, 2019). This is defined as the size and unpredictability of the change in the tastes of customers, the technology of production or services, and the possibilities to compete in major industries. Companies competing in the same industry have the same entry and output markets, and technological conditions, in this way defining the environment of the companies (Karna, Richter &Riesenkampff, 2016). First, industrial dynamism threatens a firm's survival because the firm finds it hard to respond with the necessary changes, and it will experience considerable levels of volatility in firm performance (Palmer & Wiseman, 1999 cited in Petrus, 2019).

Typically, dynamism is always present, with potential changes in regulatory contexts and other industry features (Aragon-Correa & Sharma, 2003). For example, new product introductions (e.g. sustainability-related products), new revolutionary technologies (e.g. energy-efficient technologies), breakthroughs in substitute input (e.g. grass fibers instead of wood pulp for paper manufacture), or political circumstances (e.g. new laws or more stringent regulatory standards) can accelerate volatility (Nelson & Winter, 1982 cited in Petrus, 2019). Increasing industrial volatility makes it more difficult for managers to take into account the repercussions on industry structures to alleviate these contextual effects (Majumdar & Marcus, 2001 cited in Petrus, 2019). It has been shown that one way for a firm to cope with uncertainty is by heightening its social legitimacy via socially responsible participation (Goll & Rasheed, 2004 cited in Petrus, 2019).

As Majumdar and Marcus (2001) cited in Petrus (2019 noted, when unpredictability characterized by flexible legislation for environmental issues is increasing, managers tend to adopt proactive environmental strategies to develop environmental protection programs. Further, this fluctuation in industry context may encourage managers to take greater risks (Li & Tang, 2010) perceiving environmentally responsible behaviors as an opportunity to obtain environmental legitimacy (Lewis *et al.,* 2014) and enhance their firms' reputation (Koh, Qian & Wang, 2014). Second, stability renders managers' decision-making standardized and problem-solving programmed, both of which result in difficulties in developing new proactive strategies (Walters, Kroll & Wright, 2010). Therefore, in a stable context, managers tend to place greater weight on routine than environmental innovation (Lewis *et al.,* 2014). Furthermore, when the industry context is relatively stable, with no significant technological improvements or little change in customer preference, the development of proactive socially responsible strategies to maintain a competitive advantage is probably costly or even damaging for operation (Schreyögg& Kliesch-Eberl, 2007). As a result, firms may actually facilitate investment in environmentally responsible activities to mitigate the effect of external dynamism.

Corporate Vitality

Organizations are like human beings, as human beings required a proper diet, life style, mental and physical exercises to remain healthy, in the similar way, organizations also require some kinds of life ingredients to become and remain a vitalized organization. Organization vitality has

been classified into four types: i) operational; ii) intellectual; iii) emotional; and iv) spiritual (Sushil, 2005). A continuous vitalization process is required to remain a healthy organization for a longer period of time. The operational and intellectual vitality explains the smooth and agile functioning of the organization in its routine activities and its evolution into innovative and challenging areas with minimum time and efforts.

The concept of corporate vitality has suffered from lack of distinctive labeling in corporate literature therefore has seemingly made it obscure in the organsitaion performance discourse. So far, the corporate vitality concept has a conceptual lens that prescribes its disposition to stemming the capacity of firms for competitiveness and achieving organizational goals. Corporate vitality is the activated organizational energy across all functions and resources that empower its drive towards goals (Matthews, 2009). Palmer (2011) has viewed corporate vitality as the totality of the functional operational capacity of the firms that is sustained for long-term survival. Fundamentally, organsiations are focused at crafting strategic alternatives that position them in their environment with a view to reaching desired goals and objectives. Corporate vitality provides the reiterating capacity and competences that channels actions at goals. Mavis (2011) discussed vitality of firms in relation with firm's ability to acquire resources that are needed for competitiveness. The author had characterized vitality of firms as been resourceful to the extent that it barely lacks the fundamental operational and administrative capabilities that promotes attainment of corporate goals.

Narheke and Landtay (2011) views vitality of firms as being antecedental to some work place phenomenon and occurrences like responsiveness and innovativeness. The underlying assumption in their thought is that organisaiton has the potential to promptly and timely respond to stakeholders need areas while at same time ensuring processes that guarantee overall goal attainment. The potency of corporate vitality to initiate, prosecute and sustain action at goals is so far characterized by resourcefulness, responsiveness and innovative practices.

Despite these functionalities that describes corporate vitality, a few studies have shown concern for what organizational efforts actions activates corporate vitality (Chukwuigwe, 2000 cited in Akpotu&Konyefa, 2018). According to Jeruz (2014) the failure to identify the organsiational actions and behaviour that demonstrates vitality is likely to have resulted from conceptualization and operationalization of the construct. The measures of the construct adopted in this study are essentially tailored at addressing what behavioural practices amongst firm managers relate with corporate vitality.

Vitality has been explained in marketing area. Munthree et al. (2006) cited in Muroyiwaa, Abratta and Mingionec (2017) have defined vitality in marketing management perspective with a focus on revitalization of the brands. An established brand may become outdated after some time and required to be developed in some different way to accept the environmental changes. This can be achieved either by repositioning of the brand (current brand name is applied to a new product) or by introducing line extensions of the available brands. In the same way, vitality can be achieved either by relocation or by extension of the current process.

Vitality can be achieved by adopting some of the changes like in brand revitalization, i.e. either by changing completely or partially. The key problem is how to know when and what kinds of changes are required. For knowing the required time for changes and what to change, organization should have the knowledge about itself and about the environment. A vital company constantly incorporates the system to inspire challenges within the organization, enabling the company and the individuals to achieve a winning relationship (Nagura & Honda, 2001).

Sushil (2007) has defined two mantras of 'LIFE' for organization vitality. The first mantra of LIFE (learning, innovation, flexibility, and entrepreneurship) (Sushil, 2006) deals with the operational and intellectual vitality while the second mantra of LIFE (love, inspiration, fun and enlightenment) concerns about emotional and spiritual vitality.

Shimizu (1991 cited in Kumar Bishwas (2011) has defined organization vitality in terms of capability development of organizational members, good cycle of management process, enhancing employees challenging spirit, deepening of knowledge, thinking revolution, and ability to cope with change in environment. Organization vitality can be assessed by developing a sense of organizational mission or purpose, articulation and congruence of values, the level of anxiety on an individual and group basis, the degree of linkages between groups and the amount of information exchange (Vicenzi & Adkins, 2000 cited in Kumar Bishwas, 2011). This can be achieved by making a proper coordination between the processes in the organization and developing a learning culture. Knowledge management process with strategic focus will lead toward this.Therefore, corporate vitality is the corporate energy reflected in its resource, competencies and capabilities to enable it compete favourably, survive and gain competitive advantage (Akpotu&Konyefa, 2018).

Corporate Responsiveness

Organizational responsiveness refers to the extent to which firms react rapidly to changes in a business environment to seize potential opportunities (Bernardes & Hanna, 2009). This responsiveness reflects "the efficiency and effectiveness with which firms sense, interpret, and act on market stimuli (Garrett, Covin & Slevin, 2009), and has been treated as a competitive advantage. For example, Wei and Wang (2011) proposed that this responsiveness represents a competitive marketing advantage by deploying resources to satisfy customer needs. Inman Sale, Green, Jr and Whitten (2011) noted that a firm with a high level of responsiveness outperforms its competitors in terms of operations. Inman *et al.* (2011) noted that a firm with a high level of responsiveness outperforms its competitors in terms of operations.

Scholars have conducted numerous studies to explore how organizational responsiveness can be enhanced (Wei &Wang, 2011). According to Bernardes and Hanna (2009) central to this concept of organizational responsiveness seems to be the capability to learn fast in an environment where changes are fast-paced and difficult to foresee. Accordingly, scholars have increasingly realized that to develop and maintain responsiveness, a firm must constantly learn from partners with rich experiences in terms of responding to market changes (Yu, Jacobs, Salisbury & Enns, 2013).

From the perspective of dynamic capabilities, organizational responsiveness assumes the role of adaptive capacity, which is reflected in the company's ability to reconfigure its resources and coordinate processes according to the fast-changing environment. Although some recent research has been carried out into the responsiveness of firms from the perspective of dynamic capabilities (Thongsodsang& Ussahawanitchakit, 2011), these investigations are still in their early stages and require more consistent results. What can be observed is that the perspective of dynamic capabilities is a versatile integrated theoretical approach both to the broader theories of management, such as RBV, and the more specific approaches to marketing, as in the case of market orientation (Morgan, 2012).

In dynamic and complex environments, organizational responsiveness presents itself as the adaptive capability of the company. Organizations can anticipate unexpected changes and uncertainties more rapidly when this pattern fits their strategic direction. Zhou and Li (2010) underline this point when point to strategic orientation as an important driver of the adaptive capacity of a company. According to the authors, strategic orientation influences the way.

Market responsiveness is a market-driven behavior of the firm and its units. Responsiveness requires some market maturity, as customers, competitors, and other relevant market actors need to be distinguished. The firm would then be able to specify a suitable degree of responsive action, such as product customization and building customer relationships (Pehrsson, 2014).

Corporate Innovativeness

In recent years the idea has become consolidated that innovation is a determining factor for the efficacy and survival of organizations in a socioeconomic context such as the present, characterized by great social, political and economic transformations. A factor that is now considered strategic for organizations is the ability to respond in a reactive and proactive manner to changes and at the same time to be agents of continual innovation (Odoardi, 2014).

Innovative behavior has been widely conceived by both scholars and practitioners as an invaluable asset for organizational competitiveness and success in dynamic business environments (Montani, Odoardi & Battistelli, 2012). Serving as an effective tool innovation is the necessary component for organizations to be sustainable and survive. Keeping up in today's more competitive environment, organizations have to be interested in innovation arisen from knowledge (Yu, Yu & Yu, 2013). By shoving concern for employees' needs and anxieties, co-workers can function as a secure base that would instil positive psychological experiences and fuel their engagement in innovative courses of action deemed functional to effective adaptation to the change process (Montani *et al.,* 2012). The rapidly changing environment directed organizations to be innovative for their existence. Innovation is the important cutting edge under the circumstances of competitiveness.

Environmental Dynamism and Corporate Vitality

Increased dynamism in the company's environment may cause changes of suppliers, purchasers, the general competitive environment and the nature of competition, which can be a challenge for the company. Competitive pressure, domestic and international changes in supply and demand and government policy force corporations to get involved in adaptive behaviors for their long-term survival. Companies that are becoming increasingly confronted with a more complex and dynamic environment may not have difficulty in adapting and reacting in these environments, unlike the unprepared ones (Azadegan 2013). Therefore companies operating in a highly dynamic environment experience significant fluctuations in competition, changes in competitive behaviour, changes in customer demand and technology

Organizations that are more vital most often, integrate its system continuously in a way that stimulate alterations within the organization, thereby allowing employees and the organization as a whole to accomplish prevailing interaction that helps in building the capacity of both individuals and the firm (Akpotu&Ozioko, 2020). The resourcefulness and innovativeness which are indicators of corporate vitality depend on the environmental dynamism experienced by individual companies. Environmental dynamism can be defined in terms of the frequency, size and irregularity of changes in competition, customer preferences and technology. In that case, the key issue of the management team is the acceptance of uncertainty. The extant literature shows a more diverse view of environmental dynamism. A high level of environmental dynamism continuously creates new opportunities for companies. However, when operating at a lower level of environmental dynamics there is less chance of improving operational capabilities, and quick reactions are not so critical.

Based on the foregoing, the study hypothesized thus:

Ho_1: There is no significant relationship between environmental dynamism and corporate responsiveness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria.

Ho_2: There is no significant relationship between environmental dynamism and corporate responsiveness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria.

METHODOLOGY

The study adopted a cross sectional survey research design. The population of this study was nine (9) fast moving consumer goods companies in Rivers State. Since the unit of analysis was at organizational level, only strategic managers were included. Five managers each were used for each company giving a total of 45 respondents. Census sampling was adopted because the population was small. Primary data was collected using a 5-point Likert scaled questionnaire. Environmental dynamism was measured on a 7 – item instrument adapted from the work of Volberda& Van Bruggen (1997) in a five Likert scale which addresses environmental dynamism through dynamism, complexity and predictability measures. Similarly, corporate vitality was operationally measured through responsiveness items were adapted from de Waard, Volberda andSoeters (2013) and innovativeness items adapted from Wang and Ahmed (2004) through five items.

The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0. The research instrument was also subjected to reliability test and was found reliable as presented below:

Table 1: Reliability Coefficients for the Variables

S/No	Dimensions/Measures of the study variable	Number of items	Number of cases	Cronbach's Alpha
1.	Environmental Dynamism	7	38	
2.	Responsiveness	5	38	
3.	Innovativeness	5	38	

Source: SPSS Output

DATA ANALYSIS AND RESULTS

The level of significance 0.05 was adopted as a criterion for the probability of accepting the null hypothesis in ($p > 0.05$) or rejecting the null hypothesis in ($p < 0.05$). The decision rule which applies for all bivariate test outcomes is according to Bryman and Bell (2003), where:

Table 2: Shows the description of range of correlation (Rho) values, as well as the correlative level of association

Range of Rho (+ and – sign value)	Association strength
± 0.80 – 0.99	Very strong
± 0.60 – 0.79	Strong
± 0.40 – 0.59	Moderate
± 0.20 – 0.39	Weak
± 0.00 – 0.19	Very weak

Source: Researchers Desk

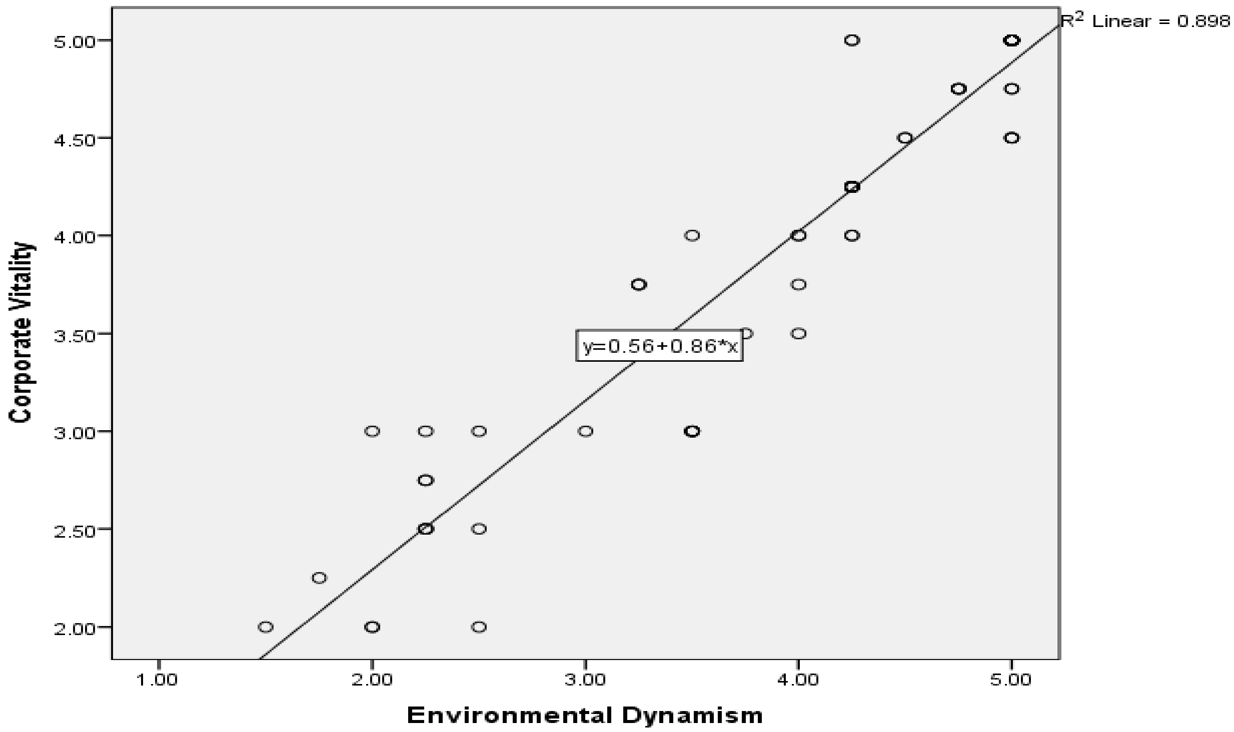

Figure 1: Scatter plot show showing the direction of the relationship between environmental dynamism and corporate vitality

Figure 1 shows a very strong relationship between environmental dynamism (independent variable) and corporate vitality (dependent variable). The scatter plot graph shows that the linear value of (0.898) depicting a very strong viable and positive relationship between the two constructs. The implication is that an increase in environmental dynamism simultaneously brings about an increase in the level of corporate vitality. The scatter diagram has provided vivid evaluation of the closeness of the relationship among the pairs of variable through the nature of their concentration.

Table 3: Correlations for Environmental Dynamism and Responsiveness

			Environmental Dynamism	Responsiveness
Spearman's rho	Environmental Dynamism	Correlation Coefficient	1.000	.774*
		Sig. (2-tailed)	.	.021
		N	38	38
	Responsiveness	Correlation Coefficient	.774*	1.000
		Sig. (2-tailed)	.021	.
		N	38	38
*. Correlation is significant at the 0.05 level (2-tailed).				

Source: SPSS Output

The result in table 2 shows the correlation for environmental dynamism and responsiveness ($r = 0.774$). This represents a high correlation indicating a strong substantial relationship. By interpretation, there is a strong positive relationship between environmental dynamism and responsiveness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria. This finding

provides answer to research question1. Implying that responsiveness is dependent on the adoption of responsiveness in the studied Fast Moving Consumer Goods Companies in Rivers State, Nigeria. Similarly displayed in table 2 is the statistical test of significance (p - value), which makes possible the generalization of our findings to the study population. From the result obtained the probability value is (0.021) < (0.05) level of significance; hence the study rejects the null hypothesis and concludes that there is a significant relationship between environmental dynamism and responsiveness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria.

Table 4: Correlations for Environmental Dynamism and Innovativeness

			Environmental Dynamism	Innovativeness
Spearman's rho	Environmental Dynamism	Correlation Coefficient	1.000	.000*
		Sig. (2-tailed)	.	.000
		N	38	38
	Innovativeness	Correlation Coefficient	.000*	1.000
		Sig. (2-tailed)	.000	.
		N	38	38

***. Correlation is significant at the 0.05 level (2-tailed).**
Source: SPSS Output

The result in table 3 shows the correlation for environmental dynamism and innovativeness (r = 0.800). This represents a high correlation indicating a strong substantial relationship. By interpretation, there is a strong positive relationship between environmental dynamism and innovativeness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria. This finding provides answer to research question 2. Implying that responsiveness is dependent on the adoption of innovativeness in the studied Fast Moving Consumer Goods Companies in Rivers State, Nigeria. Similarly displayed in table 2 is the statistical test of significance (p - value), which makes possible the generalization of our findings to the study population. From the result obtained the probability value is (0.000) < (0.05) level of significance; hence the study rejects the null hypothesis and concludes that there is a significant relationship between environmental dynamism and innovativeness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria.

DISCUSSION OF FINDINGS

The study findings reveal that there is strong positive and significant correlation between environmental dynamism and innovativeness of Fast Moving Consumer Goods Companies in Rivers State, Nigeria. This finding agrees with earlier studies by Teece and Pisano (1994) that in order to be able to both sense and seize opportunities in the dynamic operating environment, business firms must have the resources and/or ability to reconfigure their existing asset bases and processes Managerial and technological capabilities can offer a sustainable competitive advantage to firms in rapidly changing markets only if the firms are able to sense the changes and understand their consequences, and to continuously reconfigure their firm-specific resource bases and processes to fit the environmental requirements (Teece et al., 1997). Thus, firms must have the ability to integrate, build, and reconfigure internal and external competencies so as to change their operational capabilities such that they address the rapidly changing environment (Zahra et al., 2006; Teece, 2007).

More so, it has been noted that In firms within industries exhibiting greater environmental dynamism, such as rapid changes in technologies, markets, and competition, the top managers must make quick strategic decisions and develop creative and innovative strategies to build a rapid response capability to cope with the changing external conditions and thereby to survive and/or prosper in the new environment (Hitt *et al.,* 1998 Jiao, Alon & Cui, 2011). An innovation strategy will increase the effectiveness of communication and planning, and will dynamically enhance the ability to respond. As the environment changes more rapidly, a higher level of dynamic capabilities is required to meet customers' needs (Covin &Slevin, 1989 cited in Jiao, Alon & Cui, 2011).

Flexible and firms possessing vitality rapidly shift from one strategy to another. So, they can realize different strategic actions in the competitive arena. Also, corporate vitality enables businesses to obtain sustainable competitive advantage by making businesses become more proactive. Proactive firms can analyze their environment and determine the external opportunities and threats better than other firms. Thus, they can take advantage of opportunities while protecting themselves against the environmental threats. Furthermore, empirical evidences have suggested that strategic flexibility effects business performance positively (Nadkarni & Narayanan, 2007). In addition to this, firms possessing vitality through strategic flexibility may improve to innovation performance of a firm in a dynamic environment. Corporate vitality can influence innovation performance by providing more flexible processes and structure. Innovation is the most important source of competitive advantage. Since, innovation can result in new products that better satisfy customer needs, can improve the quality of existing products, or can reduce the costs of making products that customers want (Hill & Jones, 2004). Therefore, organizations that want to become more innovative in their processes, products, or services must consider corporate vitality as an alternative.

CONCLUSION

Organizations that are more vital most often, integrate its system continuously in a way that stimulate alterations within the organization, thereby allowing employees and the organization as a whole to accomplish prevailing interaction that helps in building the capacity of both individuals and the firm. The responsiveness and innovativeness which are indicators of corporate vitality depend on the environmental dynamism experienced by individual companies. Environmental dynamism can be defined in terms of the frequency, size and irregularity of changes in competition, customer preferences and technology. A high level of environmental dynamism continuously creates new opportunities for companies. However, when operating at a lower level of environmental dynamics there is less chance of improving operational capabilities, and quick reactions are not so critical. Based on the findings of this study, it is

concluded therefore that environmental dynamism significantly predict corporate vitality (responsiveness and innovativeness) of Fast Moving Consumer Goods Companies in Rivers State, Nigeria.

RECOMMENDATIONS

Based on the study findings, the study thus recommends:

1. Managers of Fast Moving Consumer Goods Companies should adopt ambidexterity as a strategic initiative to become more flexible and responsive to the dynamism in the competitive business environment which will enable them to build the capacity to effectively exploit existing competencies as well as exploring new opportunities with equal dexterity.
2. Managers of Fast Moving Consumer Goods Companies should form and support work environments that inspire employees toward continuous learning and open search behaviours in order to exploit innovation opportunities.

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